

For Immediate Release
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Broad Coalition Calls for Phase Out of Ethanol Subsidies

*Citing Widespread Concern about Increased Food Prices, Environmental and Economic Concerns
Representatives of the Environmental Community, Animal Agriculture, Economists, Government
Watchdogs Groups, Food Industry Groups, Grassroots and Latino Organizations Call on President-elect
Obama and Congress to Phase Out Ethanol Subsidies as Currently Structured after 30 Years*

WASHINGTON, DC— On Tuesday, a wide array of organizations came together to call on the next Administration and Congress to repeal subsidies for ethanol in light of its harmful effects on the environment, consumers and numerous industries.

This November marks the 30th anniversary of the first government subsidies for ethanol. These subsidies now total nearly \$5 billion annually. In recent months, a wide number of independent voices have spoken out against ethanol subsidies as a failed policy that does more harm than good. This includes three Nobel Prize winning economists, Joseph Stiglitz, Paul Krugman and Amartya Sen, as well as international institutions such as the IMF, World Bank, the UN, the International Food Policy Research Institute and others.

On the occasion of the 30th anniversary of ethanol subsidies, Ipsos Public Affairs released the results of a national survey commissioned by members of the Food Before Fuel campaign. According to the Ipsos poll of 1,000 Americans, nearly nine in 10 (89%) are concerned about the rising cost of food, including 57 percent who say that they are very concerned. When provided with information about USDA data showing corn ethanol production is the cause of 10 percent of food price inflation, nearly half (49%) become less likely to support policies aimed at promoting the use of corn to produce ethanol. Moreover, when asked if they would support keeping or changing the existing Congressional policies, a majority (56%) of respondents call for Congress to change these policies by reducing or eliminating subsidies and mandates for the use of corn ethanol.

Joel Brandenberger, president of the National Turkey Federation commented, "Ethanol has been on the government payroll for 30 years. After three decades of government policies subsidizing and supporting the ethanol industry, we find ourselves at the end of 2008 with more questions than ever before about the wisdom of this course."

"On many issues, these groups gathered here today do not see eye to eye. But we have come together because we all can agree that the government's subsidization of the corn ethanol industry is a flawed policy that pits rural industries against one another, raises food prices for everyone and has failed to yield promised environmental benefits," Brandenberger said.

Duane Parde, president of the National Taxpayers Union, was critical of the ethanol industry as a "demonstrative waste of taxpayer money in a time of economic hardship."

"President-elect Obama and the 111th Congress have an opportunity to protect taxpayers and end business as usual," Parde said. "We have spent 30 years and billions of taxpayer dollars subsidizing the production of ethanol with little to show for it. Despite the subsidies, ethanol is not competitive in the marketplace and the industry only survives because politicians shovel our money into their pockets. We must end the bailouts and subsidies for industries that are unable or unwilling to stand on their own."

Craig Cox, Midwest vice president of the Environmental Working Group, said that, "After 30 years of subsidies, ethanol is displacing only 3 percent of the gasoline we use each year, is likely increasing rather than decreasing greenhouse gas emissions, and is threatening our soil, water and wildlife. Yet ethanol gets \$3 out of every \$4 of tax credits the federal government gives to all renewable alternatives including wind, solar and geothermal. It is time we direct our tax dollars to renewable alternatives, including biofuels, based on how well they protect our climate, our environment and our energy security."

Jason Clay, senior vice president for market transformation at the World Wildlife Fund, noted, "In its work with local communities and habitats across the globe, the World Wildlife Fund has seen the negative impacts of the biofuel policy not only on the environment, but on vulnerable populations throughout the world."

"Biofuels have a role to play in our response to energy independence and climate change, but the rush to produce them has been ill-considered. The United States must set an example to the rest of the world by pursuing sustainable agriculture and energy practices that meet scientifically based environmental performance standards," Clay said.

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About the survey

The Ipsos poll was conducted October 30 – November 3, 2008 via Ipsos' U.S. Telephone Express omnibus. For the survey, a nationally representative sample of 1,000 adults aged 18 and older residing in the United States were interviewed by telephone. With a sample of this size, the results are considered accurate within ± 3.1 percentage points.